

## **HERSETH SANDLIN HELPS PASS WALL STREET REFORM**

Bill Will Help Protect Families and Businesses from Paying the Price for Wall Street's Mistakes

**Washington, DC (June 30, 2010)**—Today, U.S. Rep. Stephanie Herseth Sandlin voted to help pass H.R. 4173, The Wall Street Reform and Consumer Protection Act. The bill will crack down on the root problems that contributed to the financial meltdown in 2008, and the severe economic recession that followed. The legislation includes provisions for tough enforcement and oversight, and shines a light on a financial sector long overdue for enhanced transparency and accountability.

Herseth Sandlin said, "South Dakotans didn't cause the near-collapse of the economy, but we sure paid the price for it. We paid the price in footing the bill for the Wall Street Bailout, which I repeatedly opposed, and we paid the price in a severe economic recession that saw retirement accounts diminish and jobs vanish. This bill includes tough new reforms to ensure accountability, transparency and fairness in the financial sector – and key protections for South Dakota families and businesses."

The Wall Street Reform and Consumer Protection Act is the most recent step in what has been a nearly two-year legislative response to the financial crisis. In late-2008 and early 2009, Congress approved different versions of a Wall Street Bailout, called the Troubled Asset Relief Program (TARP). Herseth Sandlin opposed the bill consistently – both under the Bush administration and under the Obama administration.

Herseth Sandlin added, "I didn't support the bailouts because I didn't think we should throw billions of taxpayer dollars at the same people who helped get us in this mess. But I think it's critically important that we implement these common sense Wall Street reforms in order to ensure we don't end up in the same place again. Importantly, this bill will protect taxpayers by helping to ensure they aren't the ones on the hook when someone on Wall Street makes a bad choice, or takes too large a risk."

Specifically, the Wall Street Reform and Consumer Protection Act (H.R. 4173):

- Prevents future taxpayers bailouts of Wall Street firms that threaten the economy by creating a safe way to liquidate failed financial firms, imposing tough new capital and leverage requirements that make it undesirable to get too big;
- Creates a council to identify and address systemic risks posed by large, complex companies, products, and activities before they threaten the stability of the economy;
- Eliminates loopholes that allow risky and abusive practices to go on unnoticed and unregulated -- including loopholes for over-the-counter derivatives, asset-backed securities, hedge funds, mortgage brokers and payday lenders;
- Provides shareholders with a say on pay and corporate affairs with a non-binding vote on executive compensation;
- Provides tough new rules for transparency and accountability for credit rating agencies to protect investors and businesses;
- Strengthens oversight and empowers regulators to aggressively pursue financial fraud, conflicts of interest and manipulation of the system;
- Ensures consumers get clear, accurate information about mortgages, credit cards, and other financial products, and protects them from hidden fees, abusive terms, and deceptive practices.

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